

**BELMOND-KLEMME  
COMMUNITY SCHOOL DISTRICT**

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS

JUNE 30, 2007

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**BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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**Board of Education**

**(Before September, 2006 Election)**

Jim Swenson	President	2006
Steve Tenold	Vice President	2007
Kevin Brunes		2008
Claude Post		2008
Jodi Pentico		2007
Dennis Lowenberg		2006
Stan Olsen		2008

**(After September, 2006 Election)**

Jim Swenson	President	2009
Steve Tenold	Vice President	2007
Kevin Brunes		2008
Claude Post		2008
Jodi Pentico		2007
Dennis Lowenberg		2009
Stan Olsen		2008

**School Officials**

David Sextro	Superintendent
Jenny Bunk	District Secretary/ Treasurer

# BRUCE D. FRINK

## Certified Public Accountant

### Independent Auditor's Report

#### Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

#### Services:

- Individual & Corporate Tax Preparation, Partnerships, Estate & Trust
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Business/Personal Financial Planning
- Bank Loan Assistance
- Section 105 Medical Plan Administration

#### Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

To the Board of Education of  
Belmond-Klemme Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Belmond-Klemme Community School District as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express an opinion on these financial statements based on our audit.

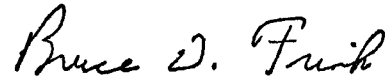
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Belmond-Klemme Community School District as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2008 on our consideration of Belmond-Klemme Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 11 and 31 through 32 are not required parts of the financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Belmond-Klemme Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2006 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplemental information included in Schedules 1 through 5, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Bruce D. Frink".

**BRUCE D. FRINK**  
**Certified Public Accountant**

March 28, 2008

## **BELMOND-KLEMMER COMMUNITY SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Belmond-Klemme Community School District's Comprehensive Annual Financial Report presents its "discussion and analysis" of the District's financial performance during the fiscal year ending June 30, 2007. Please read it in conjunction with the District's financial statements.

#### **2007 FINANCIAL HIGHLIGHTS**

- The District enjoys a 3.8% solvency ratio. This is up .3% from the prior year. This is necessary to help in absorbing funding cuts and inadequate allowable growth.
- The District's General Fund balance increased by over \$20,000. The District had revenues of \$6,703,633 and \$6,682,414 was spent during the year.
- Revenues increased by 3% over the prior year. This was due primarily to increased miscellaneous revenues. State revenues increased slightly, but much of that increase was designated for specific purposes.
- The District has actively pursued grants from various sources in order to enhance the District's course offerings.
- The District began collecting local option sales tax money from Hancock County in September 2003. Wright County began collecting it July 1, 2004. It is being used to address infrastructure needs in the District.
- The District's General Fund expenditures decreased by over \$110,000 (2%) in fiscal year 2007. This was primarily due to decreases in payroll and benefits. The District continues to closely monitor discretionary spending.
- Enrollment dropped 14.4 students from fiscal year 2006 to fiscal year 2007. The number of students served in District facilities decreased by 19.4 students.
- The voters of the District passed a \$6,270,000 bond issue for the construction of a new elementary school. Contributions from private sources for this project exceeded \$500,000. A federal grant for \$500,000 was also obtained. This will be received in fiscal year 2008.

#### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Belmond-Klemme Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Belmond-Klemme Community School District operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Belmond-Klemme Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the District.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

**Figure A-1**

***Belmond-Klemme Community School District Annual Financial Report***

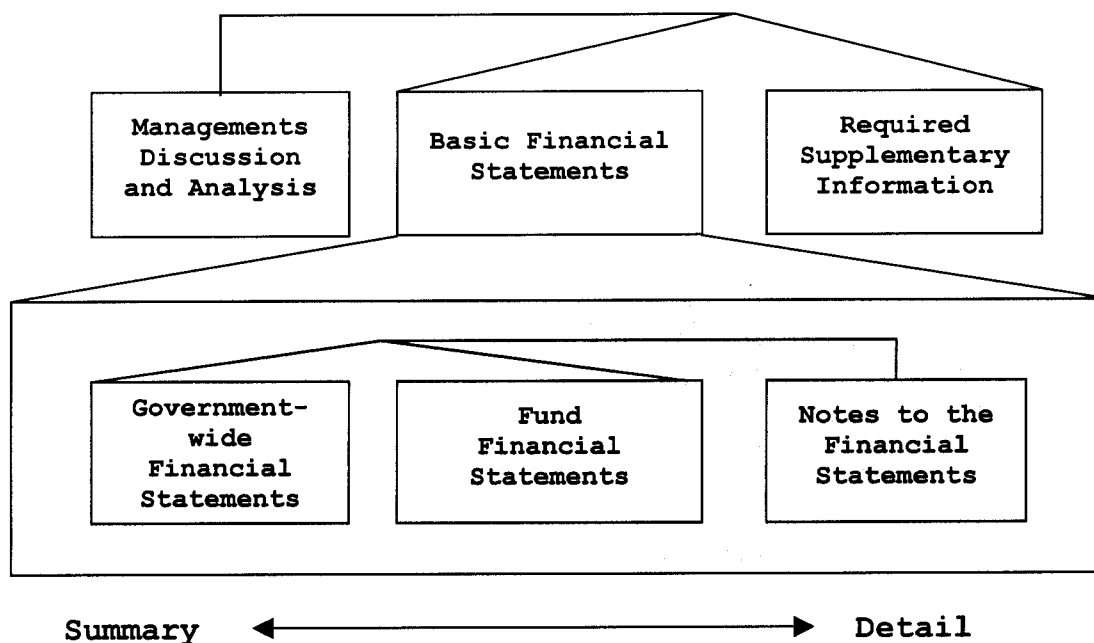


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**Figure A-2**  
**Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses; food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid



## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statements*

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

### *Fund Financial Statements*

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how much cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, the Special Revenue Funds, Debt Service Fund, Physical Plant and Equipment Levy and the Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities but provide more detail and additional information, such as cash flows. The District currently has one Enterprise Fund, the School Nutrition Fund.

The required financial statements for proprietary funds include a Statement of Net Assets, a statement of revenues, expenses, changes in net assets and a Statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust Funds.

- Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds includes a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2007 compared to 2006.

**Figure A-3**  
**Condensed Statement of Net Assets**  
**(Expressed in Thousands)**

	Governmental Activities		Business Type Activities		Total District		Total Change
	2007	2006	2007	2006	2007	2006	2006-07
	\$	\$	\$	\$	\$	\$	
Current assets	14,541	7,396	79	66	14,620	7,462	95.93%
Capital assets	1,680	466	28	19	1,708	485	252.16%
Total assets	16,221	7,862	107	85	16,328	7,947	105.46%
Current liabilities	6,666	5,950	2	5	6,668	5,955	11.97%
Non-current liabilities	6,270	-	-	-	6,270	-	100.00%
Total liabilities	12,936	5,950	2	5	12,938	5,955	117.26%
Net Assets							
Invested in capital assets, net of related debt	1,681	466	28	19	1,709	485	352.37%
Restricted	1,234	1,095	-	-	1,234	1,095	12.69%
Unrestricted	370	351	77	61	447	412	8.50%
Total net assets	3,285	1,912	105	80	3,390	1,992	70.18%

The combined net assets of the District increased by 70%. This was due primarily to the increases in all funds.

Figure A-4 shows the changes in net assets for the year ended June 30, 2007 compared to the year ended June 30, 2006.

**Figure A-4**  
**Change in Net Assets**  
**(Expressed in Thousands)**

	Governmental Activities		Business Type Activities		Total District		Total Change
	2007	2006	2007	2006	2007	2006	2006-07
	\$	\$	\$	\$	\$	\$	
Revenues:							
Program revenues:							
Charges for service and sales	363	458	129	143	492	601	-18.14%
Operating grants, contributions and restricted interest	1,831	1,091	135	125	1,966	1,216	61.68%
General revenues:							
Property tax	2,851	2,640	-	-	2,851	2,640	7.99%
Income surtax	91	87	-	-	91	87	4.60%
Local option sales tax	457	418	-	-	457	418	9.33%
Unrestricted state grants	2,804	2,799	-	-	2,804	2,799	0.18%
Unrestricted investment earnings	18	18	-	-	18	18	0.00%
Other	95	126	-	-	95	126	-24.60%
Total revenues	<u>8,510</u>	<u>7,637</u>	<u>264</u>	<u>268</u>	<u>8,774</u>	<u>7,905</u>	<u>10.99%</u>
Program expenses:							
Governmental activities:							
Instruction	4,751	4,796	-	-	4,751	4,796	-0.94%
Support Services	1,923	2,016	-	-	1,923	2,016	-4.61%
Non-instructional programs	7	4	239	242	246	246	0.00%
Other expenses	<u>456</u>	<u>344</u>	<u>-</u>	<u>-</u>	<u>456</u>	<u>344</u>	<u>32.56%</u>
Total expenses	<u>7,137</u>	<u>7,160</u>	<u>239</u>	<u>242</u>	<u>7,376</u>	<u>7,402</u>	<u>-0.35%</u>
Change in net assets	<u>1,373</u>	<u>477</u>	<u>25</u>	<u>26</u>	<u>1,398</u>	<u>503</u>	<u>177.93%</u>

Property tax and unrestricted state grants account for 64% of the total revenue. The District's expenses primarily relate to instruction and support services which account for 90% of the total expenses.

#### **Governmental Activities**

Revenues for governmental activities were \$8,510,119 and expenses were \$7,137,476. The District reduced discretionary spending in an effort to keep expenditures as close as possible to revenues.

Inadequate allowable growth prevents obtaining additional revenues from normal funding sources. Normal payroll increases exceed new money generated by the state formula each year.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

**Figure A-5**  
**Total and Net Cost of Governmental Activities**  
**(Expressed in Thousands)**

	Total Cost of Services			Net Cost of Services		
	2007	2006	Change 2006-07	2007	2006	Change 2006-07
	\$	\$		\$	\$	
Instruction	4,751	4,795	-0.92%	3,683	3,665	0.49%
Support Services	1,923	2,016	-4.61%	1,877	1,992	-5.77%
Non-instructional programs	7	5	40.00%	7	5	40.00%
Other expenses	456	344	32.56%	(624)	(51)	1123.53%
Totals	<u>7,137</u>	<u>7,160</u>	<u>-0.32%</u>	<u>4,943</u>	<u>5,611</u>	<u>-11.91%</u>

- The cost financed by users of the District's programs was \$363,009.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$549,212.
- The net cost of governmental activities was financed with \$2,850,829 in property tax and \$2,804,418 in state foundation aid.

#### **Proprietary-Type Activities**

Revenues for the District's School Nutrition Fund were \$264,014 and expenses were \$239,267. The revenues include: charges for services, contributions, and federal and state reimbursements.

#### **Fiduciary Fund Activities**

The Trust Funds are funds given and designated by outside groups and people basically to be given as scholarships. These funds are not to be used to support the operations of the District.

#### **INDIVIDUAL FUND ANALYSIS**

The Belmond-Klemme Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District is reflected in its governmental funds. As the District completed the fiscal year, its governmental funds reported a combined fund balance of \$3,285,451, which is 72% greater than last year's ending fund balance of \$1,912,808.

#### **Governmental Fund Highlights**

- The District controlled its General Fund balance by holding the line on payroll and discretionary spending and obtaining outside grants.
- Allowable growth of 4% is inadequate to maintain educational programs at their current level without dipping into existing reserves.

## **BUDGETARY HIGHLIGHTS**

In accordance with the Code of Iowa, the Board of Education annually adopts a budget after the required public notice and hearing. The budget for the current fiscal year is usually amended each April for revenues and expenditures that could not be anticipated the prior April. The budget amending process follows similar statutory procedures.

It is the District's practice, as is in most Iowa school districts, to budget expenditures at or about the maximum authorized spending. As a result, the District's certified budget should always exceed the actual expenditures for the year. Expenditures did not exceed the amounts budgeted as a total, however, the other expenditures function was over expended due to larger than anticipated construction costs in the current year. This is a timing difference and does not reflect on the project as a whole.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

By the end of fiscal year 2007, the District has invested more than \$7,000,000 in a broad range of capital assets including school buildings, athletic facilities, kitchens, computers and audio-visual equipment, administration building, transportation/storage facility, maintenance equipment, school buses, and other vehicles, library holdings and textbooks. Total depreciation expense for the year exceeded \$66,000.

### **Long-term Debt**

The District issued \$6,270,000 of bonds during the current fiscal year for the construction of a new elementary school. These bonds will be repaid from a combination of property tax and local option sales tax.

## **ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE**

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- Enrollment changes will have a major effect on the District's General Fund.
- The District began construction on a new elementary school in 2007.
- Inadequate funding by the Legislature will force the District to dip further into its reserves.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Larry Frakes, Superintendent, Belmond-Klemme Community Schools, 411 10<sup>th</sup> Ave NE, Belmond, Iowa 50421.

## **Basic Financial Statements**

## BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT

## Statement of Net Assets

June 30, 2007

	Governmental Activities	Business Type Activities	Total
	\$	\$	\$
<b>Assets</b>			
Cash and pooled investments	8,682,714	73,282	8,755,996
ISCAP investments	2,557,940	-	2,557,940
Receivables:			
Property tax:			
Current year	43,103	-	43,103
Succeeding year	2,872,237	-	2,872,237
Income surtax - succeeding year	77,006	-	77,006
ISCAP accrued interest	23,912	-	23,912
Due from other governments	283,911	-	283,911
Inventories	-	6,433	6,433
Capital assets, net of accumulated depreciation (note 3)	1,680,272	27,992	1,708,264
<b>Total assets</b>	<u>16,221,095</u>	<u>107,707</u>	<u>16,328,802</u>
<b>Liabilities</b>			
Accounts payable	565,561	-	565,561
Accrued salary and benefits	485,743	2,322	488,065
Accrued interest payable	145,278	-	145,278
ISCAP warrants payable	2,563,000	-	2,563,000
ISCAP accrued interest payable	33,825	-	33,825
Deferred revenue:			
Succeeding year property tax	2,872,237	-	2,872,237
Long term liabilities:			
Portion due within one year:			
General obligation bonds payable	100,000	-	100,000
Portion due after one year:			
General obligation bonds payable	6,170,000	-	6,170,000
<b>Total liabilities</b>	<u>12,935,644</u>	<u>2,322</u>	<u>12,937,966</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	1,680,272	27,992	1,708,264
Restricted for:			
Capital Projects	858,881	-	858,881
Physical Plant and Equipment Levy	139,712	-	139,712
Management Fund	236,790	-	236,790
Unrestricted	369,796	77,393	1,682,572
<b>Total net assets</b>	<u>3,285,451</u>	<u>105,385</u>	<u>3,390,836</u>

See notes to financial statements.

## BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT

## Statement of Activities

Year ended June 30, 2007

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Service		Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
	\$	\$	\$	\$	\$	\$
<b>Functions/Programs</b>						
Governmental activities:						
Instruction:	4,751,479	354,386	713,924	(3,683,169)	-	(3,683,169)
Support services:						
Student services	146,282	-	-	(146,282)	-	(146,282)
Instructional staff services	210,654	-	-	(210,654)	-	(210,654)
Administration services	767,274	-	-	(767,274)	-	(767,274)
Operation and maintenance of plant services	478,858	-	37,365	(441,493)	-	(441,493)
Transportation services	319,922	8,623	-	(311,299)	-	(311,299)
	1,922,990	8,623	37,365	(1,877,002)	-	(1,877,002)
Non-instructional programs:						
Food service operations	7,156	-	-	(7,156)	-	(7,156)
Other expenditures:						
Facilities acquisition and construction	36,373	-	837,151	800,778	-	800,778
AEA flowthrough	242,705	-	242,705	-	-	-
Interest on long term debt	145,278	-	-	(145,278)	-	(145,278)
Depreciation (unallocated)*	31,495	-	-	(31,495)	-	(31,495)
	455,851	-	1,079,856	624,005	-	624,005
Total governmental activities	7,137,476	363,009	1,831,145	(4,943,322)	-	(4,943,322)



**BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT**

Statement of Activities

Year ended June 30, 2007

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Total
	\$	\$	\$	\$
Business type activities:				
Non-instructional programs:				
Nutrition services	239,267	128,865	135,149	24,747
Total	7,376,743	491,874	1,966,294	(4,918,575)
<b>General revenues:</b>				
Property tax levied for:				
General purposes				2,490,225
Management fund				170,000
Capital outlay				190,604
Income surtax				90,829
Local option sales tax				456,581
Unrestricted state grants				2,804,418
Unrestricted investment earnings				144,408
Discount on sale of bonds				(40,850)
Sale of property and materials				1,251
Other				8,499
Total general revenue			6,315,965	6,315,965
Change in net assets			24,747	1,397,390
Net assets beginning of year, as restated (note 8)			1,912,808	1,993,446
Net assets end of year			3,285,451	3,390,836

\* This amount excludes the depreciation that is included in the direct expense of the various programs.

See notes to financial statements.

## BELMOND-KLENME COMMUNITY SCHOOL DISTRICT

Balance Sheet  
Governmental Funds

June 30, 2007

	Assets					Liabilities and Fund Balances				
	General	Physical Plant and Equipment Levy	Capital Projects	Debt Service	Non-major Special Revenue	Total				
	\$	\$	\$	\$	\$	\$				
Cash and pooled investments	714,730	189,265	7,503,376	-	275,343	8,682,714				
ISCAP investments	2,557,940	-	-	-	-	2,557,940				
Receivables:										
Property tax:										
Current year	37,590	2,907	-	-	2,606	43,103				
Succeeding year	2,385,659	193,609	-	212,969	80,000	2,872,237				
Income surtax - succeeding year	77,006	-	-	-	-	77,006				
ISCAP accrued interest	23,912	-	-	-	-	23,912				
Due from other governments	103,760	-	180,151	-	-	283,911				
<b>Total assets</b>	<u>5,900,597</u>	<u>385,781</u>	<u>7,683,527</u>	<u>212,969</u>	<u>357,949</u>	<u>14,540,823</u>				
Liabilities:										
Accounts payable	103,733	52,460	409,368	-	-	565,561				
Accrued salary and benefits	485,743	-	-	-	-	485,743				
ISCAP warrants payable	2,563,000	-	-	-	-	2,563,000				
ISCAP accrued interest payable	33,825	-	-	-	-	33,825				
Deferred revenue:										
Succeeding year property tax	2,385,659	193,609	-	212,969	80,000	2,872,237				
Succeeding year income surtax	77,006	-	-	-	-	77,006				
Total liabilities	<u>5,648,966</u>	<u>246,069</u>	<u>409,368</u>	<u>212,969</u>	<u>80,000</u>	<u>6,597,372</u>				
Fund balances:										
Reserved for capital projects	-	-	7,274,159	-	-	7,274,159				
Unreserved	251,631	139,712	-	-	277,949	669,292				
Total fund balance	<u>251,631</u>	<u>139,712</u>	<u>7,274,159</u>	<u>-</u>	<u>277,949</u>	<u>7,943,451</u>				
<b>Total liabilities and fund balances</b>	<u>5,900,597</u>	<u>385,781</u>	<u>7,683,527</u>	<u>212,969</u>	<u>357,949</u>	<u>14,540,823</u>				

See notes to financial statements.

## BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets

June 30, 2007

<b>Total fund balances of governmental funds (Exhibit C)</b>	\$ 7,943,451
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>	
Income surtax receivable at June 30, 2007 is not recognized as income until received in the governmental funds, however it is shown as a receivable in the Statement of Net Assets.	77,006
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	1,680,272
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(145,278)
Long-term liabilities, including bonds payable and early retirement payments are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds	<u>(6,270,000)</u>
<b>Net assets of governmental activities (Exhibit A)</b>	<u>\$ 3,285,451</u>

## BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Fund Types

Year ended June 30, 2007

	General	Physical Plant and Equipment Levy	Capital Projects	Nonmajor Special Revenue	Total
	\$	\$	\$	\$	\$
Revenues:					
Local sources:					
Local tax	2,574,288	190,604	456,581	170,000	3,391,473
Tuition	337,280	-	-	-	337,280
Other	195,983	24,321	837,151	160,409	1,217,864
State sources	3,425,132	134	-	119	3,425,385
Federal sources	170,950	-	-	-	170,950
Total revenues	<u>6,703,633</u>	<u>215,059</u>	<u>1,293,732</u>	<u>330,528</u>	<u>8,542,952</u>
Expenditures:					
Instruction	<u>4,569,721</u>	<u>8,400</u>	<u>121</u>	<u>173,237</u>	<u>4,751,479</u>
Support services:					
Student services	146,282	-	-	-	146,282
Instructional staff services	210,654	-	-	-	210,654
Administration services	745,717	1,905	-	19,652	767,274
Operation and maintenance of plant services	496,863	12,623	-	36,341	545,827
Transportation services	<u>270,472</u>	<u>-</u>	<u>-</u>	<u>19,331</u>	<u>289,803</u>
	<u>1,869,988</u>	<u>14,528</u>	<u>-</u>	<u>75,324</u>	<u>1,959,840</u>
Non-instructional programs:					
Food service operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,156</u>	<u>7,156</u>
Other expenditures:					
Facilities acquisition and construction	-	65,492	1,179,784	-	1,245,276
AEA flowthrough	<u>242,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,705</u>
	<u>242,705</u>	<u>65,492</u>	<u>1,179,784</u>	<u>-</u>	<u>1,487,981</u>
Total expenditures	<u>6,682,414</u>	<u>88,420</u>	<u>1,179,905</u>	<u>255,717</u>	<u>8,206,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,219</u>	<u>126,639</u>	<u>113,827</u>	<u>74,811</u>	<u>336,496</u>
Other financing sources (uses):					
Sale of property and materials	1,251	-	-	-	1,251
Sale of general obligation bonds	-	-	6,270,000	-	6,270,000
Discount on sale of bonds	-	-	(40,850)	-	(40,850)
Total other financial sources (uses)	<u>1,251</u>	<u>-</u>	<u>6,229,150</u>	<u>-</u>	<u>6,230,401</u>
Net change in fund balance	22,470	126,639	6,342,977	74,811	6,566,897
Fund balances beginning of year	<u>229,161</u>	<u>13,073</u>	<u>931,182</u>	<u>203,138</u>	<u>1,376,554</u>
Fund balances end of year	<u>251,631</u>	<u>139,712</u>	<u>7,274,159</u>	<u>277,949</u>	<u>7,943,451</u>

See notes to financial statements.

**BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT**

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
to the Statement of Activities

Year ended June 30, 2007

<b>Net change in fund balances - total governmental funds (Exhibit E)</b>	\$ 6,566,897
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
Income surtaxes not collected for several months after the District's fiscal year ends are not considered "available" revenues in the governmental funds and are included as deferred revenues. They are, however, recorded as revenues in the statement of activities	6,766
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:	
Capital outlays	\$ 1,275,872
Depreciation expense	<u>(61,614)</u> 1,214,258
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	(145,278)
Issuance of long-term debt is a financing source in the governmental funds, but it increases long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities	<u>(6,270,000)</u>
<b>Change in net assets of governmental activities (Exhibit B)</b>	<u>\$ 1,372,643</u>

## BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Fund

Year ended June 30, 2007

	School Nutrition
	<u>\$</u>
Operating revenue:	
Local sources:	
Charges for services	<u>128,865</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries and benefits	110,016
Services	560
Supplies	123,969
Depreciation	<u>4,722</u>
Total operating expenses	<u>239,267</u>
Operating (loss)	<u>(110,402)</u>
Non-operating revenues:	
Interest on investments	2,560
State sources	3,686
Federal sources	<u>128,903</u>
Total non-operating revenues	<u>135,149</u>
Change in net assets	24,747
Net assets beginning of year	<u>80,638</u>
Net assets end of year	<u><u>105,385</u></u>

See notes to financial statements.

## BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows  
Proprietary Funds

Year ended June 30, 2007

	<u>Enterprise</u> <u>School</u> <u>Nutrition</u> \$
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	128,865
Cash payments to employees for services	(112,384)
Cash payments to suppliers for goods or services	(101,893)
Net cash (used in) operating activities	<u>(85,412)</u>
Cash flows from non-capital financing activities:	
State grants received	3,686
Federal grants received	107,236
Net cash provided by non-capital financing activities	<u>110,922</u>
Cash flows from capital financing activities:	
Purchase of fixed assets	(13,658)
Cash flows from investing activities:	
Interest on investments	<u>2,560</u>
Net increase in cash and cash equivalents	14,412
Cash and cash equivalents beginning of year	<u>58,870</u>
Cash and cash equivalents end of year	<u><u>73,282</u></u>
<b>Reconciliation of operating income (loss) to net cash used in operating activities:</b>	
Operating (loss)	(110,402)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:	
Depreciation	4,722
Commodities used	21,667
Decrease in inventory	969
(Decrease) in accrued salary and benefits	(2,368)
	<u>(85,412)</u>
<b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:</b>	
Current assets:	
Cash	<u><u>73,282</u></u>
<b>Non-cash investing, capital and financing activities:</b>	

During the year ended June 30, 2006, the District received federal commodities valued at \$21,667.

See notes to financial statements.

## BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets  
Fiduciary Funds

Year ended June 30, 2007

	Private Purpose Trusts
	<u>\$</u>
<b>Assets</b>	
Cash and pooled investments	<u>1,414,301</u>
<b>Total assets</b>	<u>1,414,301</u>
<b>Net Assets</b>	
Reserved for scholarships	<u>1,414,301</u>
<b>Total net assets</b>	<u><u>1,414,301</u></u>

See notes to financial statements.



## BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds

Year ended June 30, 2007

	Private Purpose Trusts
	<u>\$</u>
Additions:	
Local sources:	
Other	203,009
Deductions:	
Support services:	
Other	<u>26,290</u>
Change in net assets	176,719
Net assets beginning of year	<u>1,237,582</u>
Net assets end of year	<u><u>1,414,301</u></u>

See notes to financial statements.

# **BELMOND-KLEMMER COMMUNITY SCHOOL DISTRICT**

## **Notes to Financial Statements**

**June 30, 2007**

### **(1) Summary of Significant Accounting Policies**

Belmond-Klemme Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. The geographic area served includes the Cities of Belmond and Klemme, Iowa, and agricultural territory in Wright, Hancock and Franklin Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standard Board.

#### **A. Reporting Entity**

For financial reporting purposes, Belmond-Klemme Community School District has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Belmond-Klemme Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Wright and Hancock County Assessor's Conference Boards.

#### **B. Basis of Presentation**

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributable the acquisition, construction or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The Physical Plant and Equipment Levy is used for the acquisition of capital assets (over \$500) and the maintenance and purchase of land improvements and facilities.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. The School Nutrition Fund is used to account for the food service operations of the District.

#### C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the "economic resources measurement focus". The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

#### D. Assets, Liabilities and Fund Balance

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking the budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2005 assessed property valuations; is for the tax accrual period July 1, 2006 through June 30, 2007 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2006.

Due From Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities.

Capital Assets - Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide statement of net assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	1,000
Other furniture and equipment	1,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Amount</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year-end.

Deferred revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulated a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. The compensated absences liability is deemed to be immaterial at June 30, 2007.

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net assets.

Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2007, expenditures exceeded the amended amount budgeted in the other expenditures function.

**(2) Cash and Pooled Investments**

The District's deposits at June 30, 2007 were entirely covered by Federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2007, the District had investments in the Iowa Schools Joint Investment Trust as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	<u>\$6,389,826</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk - The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

Credit risk - The investments in the Iowa School Joint Investment Trust were both rated Aaa by Moody's Investors Service.

### (3) Capital Assets

Capital assets activity for the year ended June 30, 2007 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	22,196	29,118	-	51,314
Capital assets being depreciated:				
Land Improvements	14,191	-	-	14,191
Buildings	2,885,926	-	-	2,885,926
Furniture and Equipment	2,821,379	66,969	-	2,888,348
Construction in progress	-	1,179,785	-	1,179,785
Total capital assets being depreciated	5,721,496	1,246,754	-	6,968,250
Less accumulated depreciation for:				
Land Improvements	1,704	568	-	2,272
Buildings	2,681,837	1,738	-	2,683,575
Furniture and Equipment	2,594,137	59,308	-	2,653,445
Total accumulated depreciation	5,277,678	61,614	-	5,339,292
Total capital assets being depreciated, net	443,818	1,185,140	-	1,628,958
Governmental activities, capital assets, net	466,014	1,214,258	-	1,680,272
<b>Business type activities</b>				
Furniture and Equipment	49,655	13,658	6,644	56,669
Less accumulated depreciation	30,599	4,722	6,644	28,677
Business type activities capital assets, net	19,056	8,936	-	27,992
Depreciation expense was charged to the following functions:				
Governmental activities:				
Student transportation				30,119
Unallocated				31,495
				61,614
Business type activities:				
Food service operations				4,722

### (4) Iowa School Cash Anticipation Program (ISCAP)

The District participates in the Iowa Schools Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants, which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings and amounts available for withdrawal for each outstanding series of warrants. Bankers Trust Co. NA is the trustee for the program. A summary of the District's participation in ISCAP as of June 30, 2007 is as follows:

<u>Series</u>	<u>Warrant Date</u>	<u>Final Warrant Maturity</u>	<u>Investment</u>	<u>Accrued Interest Receivable</u>	<u>Warrants Payable</u>	<u>Accrued Interest Payable</u>
2006-07A	6/28/06	6/28/07	\$ -	-	-	-
2006-07B	1/26/07	1/25/08	1,039,343	23,458	1,042,000	33,451
2007-08A	6/27/07	6/27/08	<u>1,518,597</u>	<u>454</u>	<u>1,521,000</u>	<u>374</u>
Total			<u>\$2,557,940</u>	<u>23,912</u>	<u>2,563,000</u>	<u>33,825</u>

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts, and must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. ISCAP advance activity in the General Fund for the year ended June 30, 2007 is as follows:

<u>Series</u>	<u>Balance Beginning of Year</u>	<u>Advances Received</u>	<u>Advances Repaid</u>	<u>Balance End of Year</u>
2006-07A	\$ -	<u>550,000</u>	<u>550,000</u>	-

The warrants bear an interest rate and the proceeds of the warrants are invested at an interest rate as shown below:

<u>Series</u>	<u>Interest Rates on Warrants</u>	<u>Interest Rates on Investments</u>
2006-07A	4.50%	5.676%
2006-07B	4.25%	5.315%
2007-08A	4.50%	5.455%

#### **(5) Pension and Retirement Benefits**

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, PO Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and the District is required to contribute 5.75% of annual payroll, for the years ended June 30, 2007, 2006 and 2005. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2007, 2006, and 2005 were \$210,980, \$219,077, and \$214,137 respectively, equal to the required contributions for each year.

#### **(6) Risk Management**

Belmond-Klemme Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



**(7) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$242,705 for year ended June 30, 2007 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**(8) Contingencies**

The District is involved in litigation with a former employee regarding improper termination. In the case of an unfavorable outcome the District would be liable for back pay estimated to be \$50,000. At this time no probable outcome can be determined, thus no liability has been recognized on the financial statements.

**(9) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2007 is as follows:

	General Obligation Bonds
Balance beginning of year	\$ -
Additions	6,270,000
Reductions	-
Balance end of year	<u>\$6,270,000</u>

General Obligation Bonds

Details of the District's June 30, 2007 general obligation bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate %</u>	<u>Interest \$</u>	<u>Principal \$</u>	<u>Total \$</u>
2008	4.00	352,817	100,000	452,817
2009	4.00	244,798	225,000	469,798
2010	4.00	235,235	235,000	470,235
2011	4.00	225,365	250,000	475,365
2012	4.00	215,365	260,000	475,365
2013	4.00	204,965	275,000	479,965
2014	4.00	193,965	290,000	483,965
2015	4.00	182,365	300,000	482,365
2016	4.00	170,365	320,000	490,365
2017	4.00	157,565	335,000	492,565
2018	4.00	145,003	345,000	490,003
2019	4.00	131,893	360,000	491,893
2020	4.05	118,033	375,000	493,033
2021	4.10	103,408	390,000	493,408
2022	4.125	88,198	405,000	493,198
2023	4.15	72,200	425,000	497,200
2024	4.20	55,200	440,000	495,200
2025	4.25	37,600	460,000	497,600
2026	4.30	19,200	480,000	499,200
Total		<u>2,953,540</u>	<u>6,270,000</u>	<u>9,223,540</u>

## Required Supplementary Information

**BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT**

Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances -  
Budget and Actual - All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year ended June 30, 2007

	Governmental Fund Types		Proprietary Fund Type		Total		Budgeted Amounts		Final to Actual Variance - Positive (Negative)
	Actual		Actual		Actual		Original	Final	
	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues									
Local sources	4,946,617		131,425		5,078,042		3,806,353	3,806,353	1,271,689
State sources	3,425,385		3,686		3,429,071		3,410,834	3,410,834	18,237
Federal sources	170,950		128,903		299,853		412,257	412,257	(112,404)
Total revenues	8,542,952		264,014		8,806,966		7,629,444	7,629,444	1,177,522
Expenditures									
Instruction	4,751,479		-		4,751,479		5,050,000	5,050,000	298,521
Support services	1,834,840		-		1,834,840		2,595,000	2,595,000	760,160
Non-instructional programs	7,156		239,267		246,423		283,000	283,000	36,577
Other expenditures	1,612,981		-		1,612,981		729,579	1,400,000	(212,981)
Total expenditures	8,206,456		239,267		8,445,723		8,657,579	9,328,000	882,277
Excess of revenues over expenditures	336,496		24,747		361,243		(1,028,135)	(1,698,556)	2,059,799
Other financing sources (uses)	6,230,401		-		6,230,401		-	-	6,230,401
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,566,897		24,747		6,591,644		(1,028,135)	(1,698,556)	8,290,200
Balance beginning of year	1,376,554		80,638		1,457,192		1,830,625	1,830,625	(373,433)
Balance end of year	7,943,451		105,385		8,048,836		802,490	132,069	7,916,767

See accompanying independent auditor's report.

**BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT**

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2007

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. The District approved one budget amendment during the year increasing budgeted expenditures by \$670,421.

During the year ended June 30, 2007, expenditures exceeded the amended amount budgeted in the other expenditures function. The District did not exceed the General Fund unspent authorized budget.

## Other Supplementary Information

## BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet  
Non-major Special Revenue Funds

June 30, 2007

	Management Levy	Student Activity	Total
	\$	\$	\$
<b>Assets</b>			
Cash and pooled investments	234,184	41,159	275,343
Property tax receivable:			
Current year	2,606	-	2,606
Succeeding year	80,000	-	80,000
<b>Total assets</b>	<u>316,790</u>	<u>41,159</u>	<u>357,949</u>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	-	-	-
Deferred revenue:			
Succeeding year property tax	80,000	-	80,000
	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Fund balance:			
Unreserved fund balance	<u>236,790</u>	<u>41,159</u>	<u>277,949</u>
<b>Total liabilities and fund balance</b>	<u>316,790</u>	<u>41,159</u>	<u>357,949</u>

See accompanying independent auditor's report.

**BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT**

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Non-major Special Revenue Funds

Year ended June 30, 2007

	Management Levy	Student Activity	Total
	\$	\$	\$
Revenues:			
Local sources:			
Local tax	170,000	-	170,000
Other	12,791	147,618	160,409
State sources	119	-	119
Total revenues	<u>182,910</u>	<u>147,618</u>	<u>330,528</u>
Expenditures:			
Instruction:	15,291	157,946	173,237
Support services:			
Administration services	19,652	-	19,652
Plant operation and maintenance	36,341	-	36,341
Student transportation	19,331	-	19,331
Non-instructional programs:			
Food service operations	<u>7,156</u>	<u>-</u>	<u>7,156</u>
Total expenditures	<u>97,771</u>	<u>157,946</u>	<u>255,717</u>
Excess (deficiency) of revenues over (under) expenditures	85,139	(10,328)	74,811
Fund balances beginning of year	<u>151,651</u>	<u>51,487</u>	<u>203,138</u>
Balance end of year	<u>236,790</u>	<u>41,159</u>	<u>277,949</u>

See accompanying independent auditor's report.

## BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT

## Schedule of Changes in Individual Student Activity Accounts

Year ended June 30, 2007

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
	\$	\$	\$	\$
Interest on Investments	1,822	1,877	3,699	-
Pictures	1,059	1,048	2,107	-
Student Activities	210	2,544	2,141	613
Gifts & Donations	835	-	-	835
DARE/FREE FORCE	1,118	139	-	1,257
Special Needs Fund	17	-	-	17
Nursing Services	567	325	12	880
Diversity Team	73	-	-	73
Elementary Activities	2,127	321	25	2,423
Elementary Band	1,477	-	55	1,422
Elementary Chorus	1,876	1,831	1,936	1,771
5th Grade Activities	1,824	-	386	1,438
Boxtops for Education	11,585	9,738	21,323	-
Jump Rope for Heart	-	1,043	1,043	-
Parent University	(25)	25	-	-
Special Ed Track Fund	566	-	-	566
Basket Auction	1	-	-	1
JH Student Council	1,917	121	110	1,928
JH Vocal	1,086	-	(280)	1,366
JH Band	2,738	-	(158)	2,896
JH Cheerleaders	80	-	-	80
JH Annual	(495)	687	42	150
Student Council	4,500	1,396	1,951	3,945
Pop Machine	2,556	-	2,556	-
Pencil Machine	117	-	117	-
Drama	6,143	2,190	2,271	6,062
Vocal Activity	2,240	5,815	7,164	891
Band Activity	2,365	1,719	1,083	3,001
Athletics	(5,444)	59,150	66,980	(13,274)
Cheerleaders	2,342	8,340	7,706	2,976
Spanish Club	83	-	-	83
Industrial Arts Project	15	1,155	-	1,170
Yearbook	945	11,287	10,033	2,199
FFA	123	10,017	7,256	2,884
NHS	(270)	1,193	647	276
Peer Helper	114	48	59	103
After Prom Party CD	3,604	-	104	3,500
After Prom Party	-	-	-	-
At Risk Activities	3,149	-	-	3,149



BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Individual Student Activity Accounts

Year ended June 30, 2007

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
	\$	\$	\$	\$
Class of 2006	303	-	216	87
Class of 2007	100	-	100	-
Class of 2008	62	1,613	1,619	56
Class of 2009	38	-	38	-
Class of 2010	-	36	36	-
Band & Vocal Trip	656	-	-	656
Jr Class Prom Account	(880)	3,775	1,757	1,138
Student Center Displays	409	-	409	-
State Tournament	(8,020)	8,020	-	-
Uniform Account	(5,221)	2,163	3,401	(6,459)
Uniform Account CD	11,000	-	-	11,000
Magazine Fund Raiser	-	10,002	10,002	-
Accrual entries	-	-	-	-
Totals	<u>51,487</u>	<u>147,618</u>	<u>157,946</u>	<u>41,159</u>

See accompanying independent auditor's report.

## BELMOND-KLEMMER COMMUNITY SCHOOL DISTRICT

## Schedule of Changes in Private Purpose Trusts

Year ended June 30, 2007

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
	\$	\$	\$	\$
Courson Memorial	2,282	95	-	2,377
Luin Cox Memorial	5,119	1,560	1,500	5,179
George Heginger Fund	40,837	1,857	1,750	40,944
Dr. Samuel Leinbach Fund	10,520	452	450	10,522
Archie Stockseth Fund	74,854	2,461	1,999	75,316
Belmond-Klemme Scholarship Foundation	970,201	167,583	15,191	1,122,593
Dana & Avis Howell Fund	114,006	28,145	3,000	139,151
King Solomon Scholarship	10,958	780	400	11,338
Creative Arts Scholarship	2,001	10	2,000	11
Mark J. Schmidt Scholarship	6,804	66	-	6,870
Totals	<u>1,237,582</u>	<u>203,009</u>	<u>26,290</u>	<u>1,414,301</u>

See accompanying independent auditor's report.

## BELMOND-KLEMME COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function  
All Governmental Funds

For the Last Four Years

	Modified Accrual Basis			
	2007	2006	2005	2004
	\$	\$	\$	\$
Revenues:				
Local sources:				
Local tax	3,391,473	3,143,961	3,010,728	2,906,114
Tuition	337,280	457,240	228,547	175,999
Other	1,217,864	482,802	271,543	344,871
State sources	3,425,385	3,407,790	3,194,457	2,949,118
Federal sources	170,950	141,935	270,606	226,927
Total	<u>8,542,952</u>	<u>7,633,728</u>	<u>6,975,881</u>	<u>6,603,029</u>
Expenditures:				
Instruction	4,751,479	4,795,854	4,411,373	4,489,812
Support services:				
Student	146,282	186,191	184,943	214,585
Instructional staff	210,654	318,198	481,458	407,296
Administration	767,274	716,342	632,174	531,506
Operation and maintenance of plant	545,827	528,848	872,689	670,750
Transportation	289,803	387,171	307,041	267,735
Central support	-	-	-	23,639
Non-instructional programs:				
Food service operations	7,156	4,722	3,697	2,954
Other expenditures:				
Facilities acquisition	1,245,276	52,278	-	1,012
Debt Service				
Principal	-	-	-	-
Interest and service charges	-	-	-	-
AEA flowthrough	242,705	235,017	253,391	237,069
Total	<u>8,206,456</u>	<u>7,224,621</u>	<u>7,146,766</u>	<u>6,846,358</u>

See accompanying independent auditor's report.

**BRUCE D. FRINK**  
Certified Public Accountant

**Independent Auditor's Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

**Member:**

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

**Services:**

- Individual & Corporate Tax Preparation, Partnerships, Estate & Trust
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Business/Personal Financial Planning
- Bank Loan Assistance
- Section 105 Medical Plan Administration

**Plus:**

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

To the Board of Education of the  
Belmond-Klemme Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Belmond-Klemme Community School District as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated March 28, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Belmond-Klemme Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Belmond-Klemme Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Belmond-Klemme Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and other deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Belmond-Klemme Community School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Belmond-Klemme Community School District's financial statements that is more than inconsequential will not be prevented or detected by Belmond-Klemme Community School District's internal control. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Belmond-Klemme Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item 07-I-A is a material weakness.

#### Compliance and Other Matters

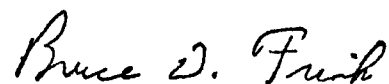
As part of obtaining reasonable assurance about whether Belmond-Klemme Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2007 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Belmond-Klemme Community School District's response to findings identified in our audit is described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit Belmond-Klemme Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Belmond-Klemme Community School District and other parties to whom Belmond-Klemme Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Belmond-Klemme Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



**BRUCE D. FRINK**  
**Certified Public Accountant**

March 28, 2008

**BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT**

Schedule of Findings

Year ended June 30, 2007

**Part I: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**REPORTABLE CONDITIONS:**

07-I-A      Segregation of Duties - One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The District has done a good job of segregating duties among the present staff, however, the District Secretary continues to have the ability to override the present controls and circumvent the internal control systems.

Recommendation - We realize the job description, as defined by the Code of Iowa, of the District Secretary makes the segregation of duties even more difficult and the elimination of the possibility of administrative override of the system improbable. However, we feel the board and the administration should review these policies annually and with each personnel change to insure the best possible control climate is maintained.

Response - We will continue to review procedures to obtain the best controls possible.

Conclusion - Response accepted.

**Part II: Other Findings Related to Required Statutory Reporting:**

07-II-A      Official Depositories - Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2007.

07-II-B      Certified Budget - Expenditures for the year ended June 30, 2007, exceeded the amended amount budgeted in the other expenditures function.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

07-II-C      Questionable Expenditures - We noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

07-II-D      Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

**BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT**

Schedule of Findings

Year ended June 30, 2007

**Part II: Other Findings Related to Required Statutory Reporting:**  
**(continued):**

- 07-II-E      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- 07-II-F      Board Minutes - We noted no transactions requiring Board approval which had not been approved by the Board.
- 07-II-G      Business Transactions - No business transactions between the District and District officials or employees were noted.
- 07-II-H      Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- 07-II-I      Certified Annual Report - The District's Certified Annual Report was filed with the Department of Education in a timely manner.
- 07-II-J      Certified Enrollment - We noted no variances in the basic enrollment data certified to the Department of Education.